



**Pacific Gas and
Electric Company®**

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NEWS

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**PG&E Announces \$250 Million Bond Sale Managed by Minority-
Owned Investment Banks**

(San Francisco) -- Pacific Gas and Electric Company (PG&E) announced an offering of \$250 million of 5.8 percent senior notes due March 1, 2037, representing the first time a California utility has included minority-owned investment banks as book runners for a taxable bond offering. PG&E will use the proceeds from the offering to repay a portion of its outstanding commercial paper. The transaction is scheduled to close on April 1, 2010.

The minority-owned investment banks involved in the bond offering are Blaylock Robert Van LLC, an African-American owned investment bank based in Oakland, California, and Samuel A. Ramirez & Co., Inc., a Hispanic-owned investment bank headquartered in New York. Morgan Stanley & Co. Inc. and Barclays Capital Inc. also participated in the bond offering as joint book runners.

"We are proud to partner with two leading minority-owned investment banks in this offering," said Kent Harvey, Senior Vice President and Chief Financial Officer of PG&E Corporation. "This transaction reflects PG&E's strong commitment to increasing supplier diversity which is a part of our broader commitment to diversity and inclusion. We serve one of the most diverse customer bases of any utility in the United States, and we are aligned with our state policy makers' goals of widening opportunities for minority-owned businesses."

"PG&E has set the standard for sustainable business partnerships between utilities and women-, minority- and disabled veteran-owned business enterprises in California," said Commissioner Timothy Alan Simon of the California Public Utilities Commission. "The commission is working actively to promote diversity in the utility industry and provide greater opportunities for minority-owned banks to participate in major transactions in California. This transaction clearly exemplifies the commission's and PG&E's ongoing efforts to invest in the communities we serve and demonstrates our joint commitment to diversity and inclusion in all our business relationships."

"Supporting the entrepreneurial drive of women-, minority-, and disabled veteran-owned businesses is a key to California's progress, and this transaction is an important step in that

direction,” said Michael R. Peevey, President of the California Public Utilities Commission. “We are very pleased by PG&E’s work in fostering financial relationships with minority-owned investment banks and other underrepresented suppliers. We will continue to work with California utilities to assure that diverse businesses fully participate in our state’s economic gains.”

“PG&E’s selection of our Oakland based firm demonstrates not only PG&E’s leadership in providing opportunities to qualified minority enterprises, but also its commitment to helping foster the growth of the local economy by keeping more business in California,” said Eric V. Standifer, CEO of Blaylock Robert Van LLC.

“I am very pleased that PG&E selected Ramirez & Co. to serve as a joint book runner for its recent debt financing,” said Sam Ramirez Sr., CEO of Samuel Ramirez & Co. “PG&E has taken a leading role in incorporating diversity in its investment banking relationships and we are happy to have the opportunity to build our banking relationship with one of California’s premier companies.”

The bonds are rated “A3” by Moody’s and “BBB+” by Standard & Poor’s. A rating reflects only the views of a rating agency and is not a recommendation to buy, sell or hold the bonds. Any ratings can be revised upward or downward or withdrawn at any time by a rating agency if it decides the circumstances warrant that change. Each rating should be evaluated independently of any other rating.

A registration statement relating to the bonds has been filed with the Securities and Exchange Commission and is effective. The offering is being made by means of a prospectus supplement and an accompanying prospectus. Copies of the prospectus supplement and accompanying prospectus relating to the offering may be obtained from Barclays Capital Inc. by telephone at 888-603-5847 or by e-mail at barclaysprospectus@broadridge.com, or from Morgan Stanley & Co. Inc. at 866-718-1649, or from Blaylock Robert Van, LLC by telephone at 212-715-6600 or by e-mail at brv@brvllc.com, or from Samuel A. Ramirez & Co by telephone at 800-888-4086 or by e-mail at ray.oconnor@ramirezco.com. This press release does not constitute an offer to sell, or the solicitation of an offer to buy, any of these securities.

Pacific Gas and Electric Company, incorporated in California in 1905, is one of the largest combination natural gas and electric utilities in the United States. Based in San Francisco, the company is a subsidiary of PG&E Corporation (NYSE: PCG). The company provides natural gas and electric service to approximately 15 million people throughout a 70,000-square-mile service area in northern and central California.